



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

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Michael O. Leavitt
Governor

Stephen G. Boyden
Director

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ADMINISTRATION

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DIV. OF OIL, GAS & MINING

November 25, 2002

Jared Shumway
Sunray Mineral Products, Inc.
4986 Spanish Valley Drive
Moab, UT 84532

RE: ML 44815-Clay
DOGM Permit #S/055/006

Dear Mr. Shumway:

Thank you for phoning me on November 25 in response to my letter of October 16, 2002. I'm enclosing herewith two sets of instructions, one for filing notification of your proposed operations upon the leased lands and another for reporting production activity and paying royalties.

The terms and conditions of your Clay lease contain specific requirements regarding notification of operations and the reporting of production. Failure of Lessee to comply with all terms and conditions of the lease may result in lease cancellation. Please carefully read and understand Lessee's obligations under the lease and contact me if you have any questions.

No party other than Sunray Mineral Products, Inc. has been authorized by the Trust Lands Administration to conduct operations upon the leased lands. Please immediately notify me in writing regarding Gary Jackson or any other parties whom Sunray Mineral products, Inc. may designate as operators upon the leased lands. Sunray Mineral Products shall be held responsible for all operations.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Paul Baker ✓